

HEINS SCHATZ & PAQUIN

ATTORNEYS AT LAW

2200 WASHINGTON SQUARE

100 WASHINGTON AVENUE SOUTH

MINNEAPOLIS, MINNESOTA 55401

TELEPHONE (612) 339-6900

FACSIMILE (612) 339-0981

1301 K STREET, N.W.

EAST TOWER, SUITE 650

WASHINGTON, D. C. 20005

TELEPHONE (202) 789-3970

FACSIMILE (202) 789-1813

ROBERT J. SCHMIT
JAMES E. SCHATZ
SAMUEL D. HEINS
JEROME F. PAQUIN
RICHARD A. LOCKRIDGE
AUDREY L. ESTEBO
CHARLES N. NAUEN
H. THEODORE GRINDAL
LINDA L. HOLSTEIN
W. JOSEPH BRUCKNER
BRADLEY W. ANDERSON
PATRICIA A. BLOODGOOD
JOSEPH M. MUSILEK

ERIC L. OLSON
BARBARA J. GRAHN
CHRISTOPHER K. SANDBERG
HARRY E. GALLAHER
DANIEL E. GUSTAFSON
WILLIAM A. GENGLER
STACEY L. MILLS
ERIC C. TOSTRUD
HENRI G. MINETTE
KAREN M. HANSON
KENT M. WILLIAMS
EARLE F. KYLE, IV
WILMA L. ZIPPEL
SANDRA M. SEDO
MARLA A. HOEHN

GERRY SIKORSKI
DIRECTOR OF PUBLIC AFFAIRS, WASHINGTON, D. C.

DOCKET FILE COPY (ORIGINAL)

January 20, 1994

FILED
JAN 25 1994

William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554

Re: *Implementation of Section 309(j) of the Communications Act Competitive Bidding, PP Docket No. 93-253*

Dear Mr. Canton:

I write this letter as counsel for Firstcom, Inc., a woman-owned small business in Minneapolis. Firstcom was a commentor in the Commission's rulemaking, *Implementation of Section 309(j) of the Communications Act Competitive Bidding*, PP Docket No. 93-253. As noted in those comments, Firstcom has provided private shared tenant services to several office complexes in the Twin Cities since 1984, has recently expanded its telecommunications services to include interstate and intrastate long-distance resale operations, and is interested in pursuing a Personal Communications Services ("PCS") license.

Firstcom supported the Commission's plan to use spectrum set-aside as a vehicle for implementing the Congressional directive to ensure that businesses owned by women and minorities are "given an opportunity to participate" in the provision of these new wireless technologies. Firstcom believes that the participation of qualified minority- and woman-owned businesses is essential in securing a diverse and representative spectrum of ownership of the new PCS industry.

Due to Firstcom's status as a woman-owned business and its interest in this proceeding, I was dismayed to recently receive the enclosed announcement of a seminar on bidding strategies for license auctions, in which the seminar provider claims that one of the "latest trends" in the wireless services industry is for

No. of Copies rec'd
List ABCDE

0+9

William F. Canton
January 20, 1994
Page 2

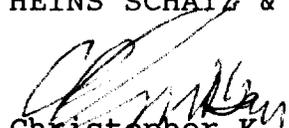
parties to "develop co-bidding strategies with minority and women-owned enterprises to seize the bidding initiative." The seminar announcement promises a session on "using minority and women-owned enterprises", and "how to avoid the image of a 'front' company."

This promotion blatantly proposes using the intended beneficiaries of the Commission's spectrum set-aside plan as "fronts" for non-qualifying businesses to permit them to sneak into and unfairly control a portion of the PCS market. While the seminar is itself beyond the ability of the Commission to control, I note that Robert Pepper of the Commission's Staff is scheduled to speak at the seminar. I would hope that Mr. Pepper could take that opportunity to explain that the Commission will not tolerate the sort of fraud that the seminar appears designed to teach and encourage.

Further, I believe that this seminar demonstrates that the Commission must be even more diligent in reviewing the applications for PCS licenses submitted by entities which claim to be minority- and woman-owned applicants to be sure those entities are what they claim to be. See, Notice of Proposed Rulemaking, FCC 93-455 at 2 121. Firstcom continues to believe that it is essential for the Commission to require that set-aside applicants demonstrate that they have the background and experience in the telecommunications industry to merit their selection under the set-aside provisions. Permitting organizations from outside the industry to mis-use the spectrum set-aside by naming a minority or woman as their purported principal - where that individual lacks substantive, personal experience in telephony - would render the set-aside program meaningless.

Sincerely,

HEINS SCHATZ & PAQUIN



Christopher K. Sandberg
Counsel for Firstcom, Inc.

CKS:mmb
Enclosure
cc: Barbara Steen

Bidding Strategies for License Auctions

Wireless Communications Services Revolution

**The Cutting Edge Forum Convening Key
Telecommunications Leaders and Government
Experts on the Federal Communications Commission**

Understand the Latest Trends in the Wireless
Communications Services Industry

Determine what a license is worth



Develop competitive bidding strategies



Learn how to stay up on the competition by taking
advantage of competitive intelligence



Develop co-bidding strategies with minority and
women-owned enterprises to seize the bidding initiative

February 8 & 9, 1994

The New York Helmsley

New York City

PLUS

Susan M. Passoni
Vice President
Cowen & Company

**To Register Call
212-599-6696**

Telecommunications Services Revolution:

February 8, 1994

8:00

Registration And Continental Breakfast

9:00

Chairman's Opening Remarks

Susan M. Passoni
Vice President
COWEN & COMPANY

9:15

The Voice Of The Federal Communications Commission: Spectrum Auctions

- Overview of the Federal Communications Commission's rules to auction spectrum for wireless services
- PCS allocation—FCC allocation of spectrum for new personal communications services
- The regulatory threshold: FCC rules
 - Auction process
 - Licensing rules
 - Spectrum allocation
 - Small business minorities opportunities

Robert Pepper (Invited)
Chief, Office of Plans & Policy
FEDERAL COMMUNICATIONS COMMISSION

10:00

The Changing Regulatory Environment

- Congressional mandate of spectrum allocation by auction rather than lottery
- Spectrum "set asides" for small businesses, women and minorities
- Eligibility restrictions on other entities
- The impact of these set asides and eligibility restrictions on spectrum auctions
- Alternate means of securing spectrum
- Pioneer's preference
- Finder's preference
- Spectrum allocation
- Jurisdictional conflicts
- Regulatory parity
- Use restrictions
- Construction/loading requirements
- Transfer limitations

Charles C. Hunter
Principal
KELLY, HUNTER, MOW & POVICH, P. C.

- Federal Communications Commission rules and regulations
- The direction of communications today

Robert S. Foosaner
Senior Vice President - Government Affairs
NEXTEL COMMUNICATIONS, INC.

11:00

Mid-morning refreshments

11:15

A New Look At PCS Spectrum Allocations

- The FCC Spectrum Allocation Plan: who can bid on spectrum and how much can they control
- The likely market structure impacts of the FCC allocation plan: will the spectrum allocation plan approved by the Commission result in a competitive or oligopolistic-market?
- What are the number and types of viable players that may be "competing" in any given market
- The probability of viable price competition for PCS services as a result of the FCC's allocation plan

Susan M. Gately
Vice President & Senior Consultant
Research and Policy Group
ECONOMICS AND TECHNOLOGY, INC.

12:00

Luncheon For Delegates And Speakers

1:15

An Overview Of Telecommunications Regulatory Policy

- Rules and regulations
- The auction process
- How spectrum will be auctioned
- Pioneer preference

L. Russell Mitten II
Vice President & General Counsel
CITIZENS UTILITIES COMPANY

2:00

The Valuation Question: What Is A License Worth?

- The effect of increased efficiencies on the value of spectrum as well as the value of new spectrum to be auctioned for PCS
- The cross-consolidation of media and communications: is bigger better?
- What are the regulatory considerations of these mergers/partnerships?
- Where will costs go as more firms consolidate and as technologies evolve?

Susan M. Passoni
Vice President
COWEN & COMPANY

2:45

Mid-afternoon Refreshments

3:00

The Bidding Process: Prospering In A Competitive Bidding Environment

- Alternative bidding methods
- Combinatorial auctions
- Aggregation of licenses geographically and by spectrum blocks
- Strategies and pitfalls for buyers
- Status of proposed bidding rules for PCS licenses

Rex D. Schrader
President
SCHRADER COMPANIES

Bidding Strategies for License Auctions

3:45

Competitive Intelligence: Collection And Effective Utilization Of Data

- What your competitors will tell you—directly and indirectly
- Other sources of information
- Determining your competitors financial condition and past bidding strategies
- Protecting your company's information from your competitors

Michel A. Beckerich

Senior Managing Director

PINKERTON INVESTIGATION SERVICES

4:30

Assessing Trends In The Mobile And Wireless Market

➤ **PCS**

Critical issues for PCS deployment

- What is PCS
- Who will provide this service?
- Competition revisited
- PCS through 2000

➤ **Trends**

Competition changes the way we currently do business

- Opportunities in emerging markets
- The integration of communications and computing
- Who are the players?
- The evolution of the network
- Competition
- Opportunity in the reoccurring revenue market

Richard S. Siber

Group Director

BIS STRATEGIC DECISIONS

5:15

Wine & Cheese Reception

February 9, 1994

8:15

Continental Breakfast

9:00

Chairman's Recap Of Day One

Susan M. Passoni

Vice President

COWEN & COMPANY

9:15

Improving The Bidding Process

- Open, oral bidding as the best and most efficient means to ensure that licensed services reach the greatest number of people in the shortest period of time
- Value of PCS in the local nature of the service, to meet the needs of individuals in both rural and urban communities

- FCC benefit from experience with spectrum auctions by first auctioning narrowband PCS licenses, then cellular unserved area licenses and finally broadband PCS licenses
- Bid payment procedures to promote full participation in wireless services by all interested, qualified applicants
- The FCC to clearly and carefully define designated set-aside entities to prevent abuse of the set-aside process by individuals and consortia of applicants

Gerard Salemm

Senior Vice President of External Affairs

MCCAW CELLULAR COMMUNICATIONS, INC.

10:00

Exploring Strategic Partners For Offering PCS

- Firms considering pursuit of FCC licenses for PCS to explore partnerships among a variety of other firms in the area
- Potential partners
 - Electric utilities
 - Cable television companies
 - Cellular telephone carriers
 - Wireline telephone carriers
 - Interexchange carriers
- Each partner to offer various assets in physical plant and marketing presence allowing reduction of cost and improved profitability
- The potential impact of assets and benefits of each partner upon the business plan for offering PCS service

Stuart Lipoff

Vice President of Technology and Product Development

ARTHUR D. LITTLE, INC.

10:45

Mid-morning Refreshment

11:00

Using Minority And Women-Owned Enterprises To Seize The Initiative

- Pertinent rules
- Who qualifies as a "minority" and "women" owned enterprises
- How to avoid the image of a "front" company

Angelo J. Genova

Senior Partner

GENOVA, BURNS, TRIMBOLI & VERNIOIA

11:45

Chairman's Closing Remarks

**To
Register Call
800-599-4950**

The Wireless Communications Services Revolution: Bidding Strategies for License Auctions

WHO SHOULD ATTEND

- Telecommunications Executives
- Cable Industry Executives
- Satellite Communications Executives
- Mobile Communications Executives
- Telecommunications Attorneys
- Regulatory Attorneys
- Investment Bankers
- Commercial Bankers
- Money Managers
- Venture Capitalists
- Pension Fund Managers
- Corporate Treasurers
- Women and Minority-Owned Firms
- Accountants
- Telecommunications Consultants
- Chief Executive Officers
- Chief Financial Officers
- Board Members

How to Register:

BY PHONE

800-599-4950
8:30 - 5:30
Eastern Time
Monday - Friday

BY FAX

212-599-6589
24 Hours a Day

BY MAIL

Return Registration Form to:
Strategic Research Institute
250 Park Avenue, 17th floor
New York, NY 10177

Payments: The registration fee for The Wireless Communications Services Revolution: Bidding Strategies for License Auctions conference is \$1195. This of course includes all lunches, refreshments, receptions and the conference Documentation Workbook. Payments can be made by company check, American Express, Visa or MasterCard. Please make checks payable to The Strategic Research Institute, L.P. and be sure to write the registrants name on the face of the check along with the conference code CF126. **PAYMENTS MUST BE RECEIVED BY February 1, 1994.**

Cancellations: Cancellations received in writing by February 1, 1994 will be eligible for a prompt refund, minus an administration charge of \$195. Cancellations received after that date **AND PRIOR TO FEBRUARY 7, 1994** may elect to transfer the registration fee to another SRI conference. Substitutions may be made right up to the day of the conference.

Tabletop Exhibits & Sponsorships:

To take advantage of this unique opportunity to market your products or services to this target market, please contact Rita Kursadi at 212-599-6696. Sponsorship details are also available to those interested in taking advantage of this ultimate marketing vehicle.

Group Discounts Available: If you send 2 delegates to The Wireless Communications Revolution: Bidding Strategies for License Auctions at the full undiscounted price of \$1195, the third receives a 30% discount (\$837). If you send 3 delegates at the Full Registration Fee, the 4th attends absolutely Free!!

Early Bird Registration: Register by December 31, 1993 and receive \$200 off the full Conference Registration Fee.

Special Government Discount: Government employees should call The Strategic Research Institute at 212-599-6696 for information regarding the Special Government Discount.

Venue: The New York Helmsley
212 E. 42 Street
New York, NY 10017
(212) 490-8900
(800) 221-4982
February 8 & 9, 1994

Hotel Accommodations: The Strategic Research Institute has reserved a limited block of rooms at the New York Helmsley at a special discounted rate for our attendees. To secure your accommodation, please contact the Hotel at least 4 weeks in advance and be sure to mention that you are a delegate for The Wireless Communications Services Revolution: Bidding Strategies for License Auctions conference. Reservations may be made by calling the New York Helmsley at (800)-221-4982 or 212-697-8300.

Travel Discounts: Save up to 40% off your travel arrangements by calling The SRI Travel Desk at MVI Travel Inc., 1-800-645-3392. MVI Travel will be pleased to reserve your air travel through United Airlines, the official air carrier of Strategic Research Institute. To secure these reservations at a special discounted rate (5-10% below any advertised United fare) please call MVI and mention our United Airlines file #5360T.

The Wireless Communications Services Revolution: Bidding Strategies for License Auctions

REGISTRATION FORM

Strategic Research Institute
250 Park Avenue, 17th Floor
New York, NY 10177
Tel 212-599-6696
800-599-4950
Fax 212-599-6589

Please register the following delegate for The Wireless Communications Services Revolution: Bidding Strategies for License Auctions Conference (please photocopy for additional registrants):

Name (please print) _____

Title _____

Dept. _____

Company _____

Address _____

City/State/Zip _____

Phone _____

Fax _____

Payment enclosed

Bill my company

Charge my:

American Express

Visa

MasterCard

Card# _____

Expiration Date: Month _____ Year _____

Name (as shown on card) _____

DROJ
BARBARA J STEEN PRES
TELEPLUS CONSULTING
8000 W 78TH ST STE 180
MINNEAPOLIS MN 55439-2535

Please Do Not Remove Label

CF126